

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
AT BALTIMORE**

IN RE:)	Case No: 07-17069-NVA
)	
LA MESA RACING, LLC,)	Chapter 11
)	
Debtor.)	
)	
	/	

DISCLOSURE STATEMENT OF ZOKAITES PROPERTIES, LP:

Zokaite Properties, LP ("Zokaite"), a creditor and party in interest of La Mesa Racing, LLC (the "Debtor"), hereby submits this Disclosure Statement pursuant to 11 U.S.C. § 1125 and in connection with his Chapter 11 Plan of Reorganization (the "Plan"), which was filed together with this Disclosure Statement.

INTRODUCTION:

Zokaite provides this Disclosure Statement to all of Debtor's known creditors and other parties-in-interest in order to disclose information deemed by Zokaite to be material, important and necessary for the creditors to arrive at a reasonably informed decision in exercising their rights to vote for acceptance of the Plan.

No statements or information concerning the Plan and the transactions contemplated thereby have been authorized other than the information set forth herein. All other statements regarding the Plan and the transactions contemplated, whether written or oral, are unauthorized. Any capitalized terms not otherwise defined herein shall have the meanings of such terms under the Code or the Plan.

The Bankruptcy Court will schedule a hearing to consider timely objections to this Disclosure Statement and on confirmation of the Plan. The hearing may be adjourned from time to time without further notice other than announcement in court on the scheduled date of such hearing. At the hearing, the Court will consider whether the Plan satisfies the various requirements of the Code, including whether the Plan is feasible and whether it is in the best interests of the creditors. The Court will then also receive and consider a ballot report prepared by the Debtor summarizing the votes for acceptance or rejection of the Plan.

No representations concerning Debtor or the estimated value of Debtor's property are authorized by Zokaite other than as set forth in this Disclosure Statement. Any representation or inducements made to secure your acceptance which are other than as contained in this Disclosure Statement should not be relied upon you in casting your vote with respect to the Zokaite's proposed Plan. Zokaite believes that the Plan provides the greatest and earliest possible

recoveries to all creditors. Zokaite believes that acceptance of the Plan is in the best interests of all creditors and recommends that they vote to accept the Plan.

No independent verification of the contents of this Disclosure Statement and the exhibits hereto has been made by Zokaite, nor his attorneys employed by him. All creditors and other parties affected by the Plan are urged to consult their own counsel as to the provisions and effect of the Plan. Any terms used in this Disclosure Statement that are defined in the Plan shall have the meaning ascribed to them in the Plan.

A. DEBTOR'S BUSINESS AND FINANCIAL DIFFICULTIES:

On July 31, 2007, this case was commenced by the filing of an Involuntary Petition against La Mesa by an insider, Transamerican Commercial, Ltd. ("Transamerican"). Transamerican is related to William Siskind, a former member of the Debtor.

Debtor is a limited liability company formed under the laws of New Mexico. La Mesa was comprised of two members, William L. Siskind and Stephen A. Vincent. Debtor's assets consist of one asset, La Mesa racetrack, in Raton, New Mexico. The racetrack consists of 213 acres of land that was valued by Mr. Vincent in his plan at approximately \$50,000 and a grandstand that must be demolished and has no value.

A Consent to Order for Relief was filed by Siskind. On August 15, 2007, a Motion to Convert Case to Chapter 11 was filed by Siskind, purporting to act on behalf of La Mesa.

On August 20, 2007, this Court entered an Order Entering Relief Under Chapter 7 on Involuntary Petition and Directing Compliance with Filing Requirements. Also on August 20, 2007, this Court entered an Order Converting Chapter 7 Case to a Case Under Chapter 11 on Debtor's Request (docket no. 10) (the "Chapter 11 Order"). The Chapter 11 Order was entered upon the Motion to Convert filed by Siskind, purporting to act on behalf of La Mesa.

B. DEVELOPMENTS DURING THE CHAPTER 11 CASE:

Since the filing of the Chapter 11 Petition, Debtor has not borrowed any money, issued any securities, or transferred or sold any assets.

C. PLAN SUMMARY, GENERALLY:

The Plan provides for the payment of creditors as provided in the Plan and as summarized in Section E herein. The Plan should provide sufficient assets to pay secured and administrative creditors in full, general unsecured creditors in full, and \$1,000 to equity interests holders. The Effective Date of the Plan is ninety (90) days after entry of the Confirmation Order.

A copy of the plan is attached as Exhibit 1.

D. PLAN TREATMENT OF CLAIMS:

The Plan divides the Claims into a total of 3 classes.

Class 1 - Priority Claims, including Administrative Claims.

Class 1 consists of administrative expense claims entitled to priority under 11 U.S.C. § 507. The holders of Claims in this class are expected to be Gohn, Hankey and Stichel, with an estimated claim of \$24,000.00, Sirody, Freiman and Feldman, with an estimated claim of \$5,000 and Stephen A. Vincent, with an estimated claim of \$2,500. The holders of the claims in this class shall be paid their Allowed Claims on the Effective Date from the Plan Funds. Zokaite believes that no other claims of this class exist. Class 1 is not impaired by the Plan.

Class 2 – Allowed Unsecured Claims.

This class consists of general unsecured claims, without priority. The holders of Allowed Claims in this class shall be paid their Allowed Claims on the Effective Date from the Plan Funds. Debtor scheduled claims in the amount of \$325,215.13. Class 2 is not impaired by the Plan.

Class 3 – Equity Interests.

The holders of the claims in this class shall be paid \$1,000 on the Effective Date from the Plan Funds. Class 3 may not be impaired by the Plan because the Plan Funds provide for the payment by Zokaite of an amount up to \$450,000. Based upon a plan filed by Stephen Vincent, the majority equity interest holder of the Debtor, with particular knowledge of the Debtor, the value of the debtor's assets is \$50,000. Thus, if Vincent's valuation of the Debtor's assets is correct, and the sum of the Class 1 and 2 claims which is \$407,744 which are being paid in full, then the distribution to the Class 3 members would not be impaired. However, Zokaite has not obtained an appraisal or other valuation of the Debtor's assets so it is unknown whether this Class 3 is impaired.

A schedule of each claim is attached hereto as Exhibit "2".

[Rest of Page Left Intentionally Blank]

E. CHAPTER 11 REORGANIZATION COMPARED TO CHAPTER 7 LIQUIDATION:

Liquidation Analysis of Debtor:

Sale of Le Mesa Racetrack	\$ 50,000
Gross Liquidation Proceeds	\$ 50,000
Liquidation Expenses	<u>(\$15,000)</u>
Net Liquidation Proceeds	<u>\$ 35,000</u>
Amount Available for Creditors	\$ 35,000
Administrative Claims	<u>(\$30,500)</u>
Amt Available for Unsecured Creditors & Equity Interests	<u>\$ 4,500</u>
Total Unsecured Creditors' Claims	<u>\$407,744</u>
Percentage Distribution to Unsecureds	<u>1.10%</u>
Percentage Distribution to Equity Interests	<u>0.00%</u>

Explanation of Above Analysis.

Were this case converted to a case under Chapter 7, there would be approximately a 1.10% distribution to allowed claims of unsecured creditors (Class 2) and a 0.00% distribution to equity interests. This analysis does not take into account the costs and expenses of administration of the Chapter 7. The estimated sale proceeds from the racetrack was taken from the plan proposed by Stephen Vincent who estimated such proceeds at \$50,000. Zokaite knows of no avoidance recoveries or action available to the trustee.

Under the Plan, all allowed secured, administrative, and unsecured claims in Classes 1 and 2 will be paid in full. Further, \$1,000 will be paid to the equity interest holders under Class 3.

F. CHAPTER 11 DISTRIBUTION ANALYSIS:

Zokaite will pay all Allowed Claims in full and will pay \$1,000 to the equity interest holders. Zokaite, therefore, believes that the Plan will net the greatest distribution for the creditors and equity interest holders.

Based upon the current financial status of Debtor, Zokaite's Plan is in the best interests of all parties. Zokaite has determined that the payments proposed in the Plan are feasible. Acceptance of the Plan will enable Debtor to obtain maximum recovery for its creditors and equity interest holders.

G. RISK FACTORS BEARING ON THE SUCCESS OF THE PLAN:

Zokaite has expended substantial time and money to formulate a viable Plan that will maximize the recovery to the Debtor's creditors and equity interest holders. Zokaite, to the best of his knowledge, incorporated in the Plan all realistic future factors that would affect and bear on the success of the Plan. As a result, Zokaite expects no surprises that will cause the Plan to be unsuccessful.

H. MEANS OF EFFECTUATING THE PLAN:

Zokaite's Plan shall be effectuated through distribution of the Plan Funds.

I. SECURITIES TO BE ISSUED:

Zokaite intends to issue no securities.

J. INSIDERS AND AFFILIATE TRANSACTIONS:

There are no insider transactions in the Debtor's bankruptcy case.

K. TRUSTEE OR EXAMINER:

There is no trustee or examiner in this Chapter 11 case.

L. CREDITORS' COMMITTEE:

No Creditors' Committee has been appointed in this Chapter 11 case.

M. PLAN PROPONENT:

Zokaite Properties, LP is the Plan Proponent.

N. GUARANTEES OF DEBTS:

There are no guarantees of the Debtor's debts that would have an effect on the Liquidation Analysis.

O. EXECUTORY CONTRACTS AND UNEXPIRED LEASES:

Debtor has no executory contracts or unexpired leases.

P. OTHER PROVISIONS OF THE PLAN:

The Plan provides that the Confirmation Order shall be a permanent injunction against enforcement of, and, except as otherwise agreed in writing by Zokaite, shall discharge the Debtor from all debt that arose before the Confirmation Date and any debt of any kind specified

in 11 U.S.C. §§ 502(g), 502(h) or 502(i) whether or not a proof of claim based upon such debt is filed or deemed filed under 11 U.S.C. § 501 and whether or not the holder of such Claim has accepted the Plan.

The Confirmation Order shall discharge Debtor from any debt whether or not such debt is reduced to judgment, liquidated or unliquidated, contingent or non-contingent, asserted or non-asserted, fixed, matured, disputed, legal or equitable, known or unknown that arose from any obligations of Debtor incurred before the Confirmation. The Confirmation Order shall not discharge Debtor from any debt excepted from discharge under 11 U.S.C. § 523 or 11 U.S.C. § 727.

The Order of Confirmation will grant Debtor a discharge except to the extent that any debt is excepted from discharge or discharge is denied. No one has objected to Debtor's discharge nor claimed that they hold a non-dischargeable claim.

The Plan may be modified as provided for by the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure and Zokaite may withdraw the Plan at any time prior to Confirmation.

The Bankruptcy Court will retain jurisdiction as set forth in the Plan.

Pursuant to 11 U.S.C. § 1123(a)(5)(A) and 11 U.S.C. § 1141, and except where otherwise expressly provided in this Plan, on the Effective Date, title to all assets and properties of the Debtor's estate shall pass to Zokaite, free and clear of all Claims, interests, liens, charges and other interests of creditors arising prior to the Effective Date.

Q. VOTING ON THE PLAN AND CONFIRMATION:

The holder of an allowed claim or interest may accept or reject the Plan in the amount of the allowed claim. A class of claims has accepted the Plan if such plan has been accepted by creditors, other than a creditor whose acceptance or rejection was not in good faith, that hold at least two-thirds (2/3) in amount and more than one-half in number of the allowed claims of such class held by creditors, other than a creditor whose acceptance or rejection was not in good faith, that have accepted or rejected the Plan.

A class is deemed not to have accepted the Plan if such plan provides that the claims or interests of such class do not entitle the claims or interests to receive or retain any property under the Plan on account of such claims or interests.

All representations made to secure acceptance of this Plan are in this Disclosure Statement. Any representations made that are not in this Disclosure Statement should not be relied upon and should be reported to the United States Trustee.

Creditors are urged to read the Plan in full since the terms of the Plan control to the extent of any inconsistency between this Disclosure Statement and the Plan. Creditors are encouraged to consult with counsel and with each other in order to fully understand the plan before voting on

it. The Plan represents a legally binding agreement with Zokaite. An intelligent judgment concerning the Plan cannot be made without understanding it. Zokaite reserves the right to object to claims, notwithstanding any statement as to amounts of claims made in this summary.

If all requirements for confirmation of the Plan under the Bankruptcy Code have been satisfied except that the Plan is not accepted by all classes of claims, the Court may confirm the Plan without the acceptance of all classes of claims if the Court finds that the Plan does not discriminate unfairly, and is fair and equitable (within the meaning of the Bankruptcy Code), with respect to each class of claims that is impaired under, and has not accepted the Plan. The Bankruptcy Court will set a hearing and rule on confirmation of the Plan in accordance with the Bankruptcy Code.

Each impaired creditor of record will receive a ballot for voting on the Plan. You should complete, date and sign your ballot and file it in person or by mail with George E. Brown, Esquire, Kramon & Graham, One South Street, Suite 2600, Baltimore, Maryland 21202. All ballots must be **received** at the offices of George E. Brown by 5:00 P.M. on the date set by the Court.

Respectfully submitted this 7th day of December, 2009.

/s/ George E. Brown

George E. Brown
Kramon & Graham
One South Street
Suite 2600
Baltimore, Maryland 21202
gbrown@kg-law.com
(410) 752-6030 (Telephone)
(410) 539-1269 (Facsimile)

Counsel for the Proponent
Zokaite Properties, LP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 7th day of December, 2009, a copy of the Disclosure Statement of Zokaite Properties, LP was mailed *via* first-class mail, postage prepaid to all creditors on the attached matrix taken from the Court's website and electronically transmitted to the U.S. Trustee.

/s/ George E. Brown

George E. Brown

Label Matrix for local noticing
0416-1
Case 07-17069
District of Maryland
Baltimore
Mon Dec 7 09:39:55 EST 2009

Jeffrey Siskind, Esquire
c/o G. David Dean, Esquire
Saul Ewing LLP
500 East Pratt Street, Suite 800
Baltimore, MD 21202-3171

Sirody Freiman & Feldman
1777 Reisterstown Road
Suite 360
Baltimore, MD 21208-6318

Alan J. Perlman, Pro Hac Vice
Adorno & Yoss, LLP
350 E. Las Olas Blvd., Suite 1700
Ft. Lauderdale FL 33301-4217

Cable & Wireless
46020 Manekin Plaza
Sterling, VA 20166-6639

Eric Culver
829 South 5th Street
Raton, NM 87740-4215

G. David Dean, Esq.
Saul Ewing LLP
Lockwood Place
500 E. Pratt Street, Suite 800
Baltimore, MD 21202-3171

ILD Telecommunications
8401 Datapoint Drive
Suite 100
San Antonio, TX 78229-5382

John Morrow Estate
c/o Linda Morrow
P.O. Box 10
Capulin, NM 88414-0010

Office of the US Trustee
101 W. Lombard Street
Ste. 2625
Baltimore MD 21201-2668

Bank of America N.A.
475 Crosspoint Pkwy
P.O. Box 9000
Getzville, NY 14068-9000

La Mesa Racing, LLC
829 South 5th Street
St. Raton, NM 87740-4215

Transamerican Commercial, Ltd.
1 North Charles Street
Suite 2310
Baltimore, MD 21201-3700

Alan M. Grochal
Tydings & Rosenberg, LLP
100 East Pratt Street
26th Floor
Baltimore, MD 21202-1097

Casino del Caribe
367 George Washington Avenue
Santo Domingo
Dominican Republic

Eric N. Culver
829 South 5th Street
Raton NM 87740-4215

Gary R. Greenblatt
Mehlman, Greenblatt & Hare, LLC
723 South Charles Street
Ste LL3
Baltimore MD 21230-3853

Jeffrey M. Siskind, Esquire
c/o G. David Dean, Esquire
Saul Ewing, LLP
500 E. Pratt Street, Suite 800
Baltimore, MD 21202-3171

John Rovedo, CPA
6817 Southpoint Parkway
Suite 801
Jacksonville, FL 32216-6292

Quest
P.O. Box 29060
Phoenix, AZ 85038-9060

Gray & Associates, LLC
c/o Jodie E. Buchman
DLA Piper US LLP
6225 Smith Avenue
Baltimore, MD 21209-3626

Lisa Morrow, PR of the Estate of John Morrow
P.O. Box 10
Capulin, NM 88414-0010

US Trustee - Baltimore 11
Garmatz Federal Courthouse
101 West Lombard Street
Suite 2625
Baltimore, MD 21201-2668

Altel
One Allied Drive
Building 4 Second Floor
Little Rock, AR 72202-2013

Culver, Billie
829 South 5th Street
Raton, NM 87740-4215

Frank Zokailtes
375 Golfside Drive
Wexford, PA 15090-9419

Gray & Associates, LLC
c/o Jodie E. Buchman
6225 Smith Avenue
Baltimore MD 21209-3626

Jeremy S. Friedberg
Leitess Leitess Freidberg & Fedder, PC
One Corporate Center
10451 Mill Run Circle, Ste. 1000
Owings Mills MD 21117-5519

La Mesa Racing, LLC
1620 South 2nd Street
Raton, NM 87740-2100

Richard M. Kremen, Esq.
Jodie E. Buchman, Esquire
DLA Piper US LLP
6225 Smith Avenue
Baltimore MD 21209-3626

Siskind, William
3504 Old Court Road
Pikesville, MD 21208-3123

Alan J. Perlman
c/o Adorno & Yoss, LLP
350 E. Las Olas Blvd., Ste. 1700
Ft. Lauderdale, FL 33301-4217

Billie Culver
829 South 5th Street
Raton, NM 87740-4215

Jan Berlage
Gohn Hankey & Stichel
201 N. Charles Street
Suite 2101
Baltimore, MD 21201-4182

Jeffrey M. Sirody
Sirody, Freiman & Feldman
1777 Reisterstown Road
Suite 360 E
Baltimore, MD 21208-1306

Jeremy S. Friedberg
Leitess Leitess Friedberg + Fedder PC
One Corporate Center
10451 Mill Run Circle, Suite 1000
Owings Mills, MD 21117-5519

Stephen A. Vincent
c/o Jeremy S. Friedberg
One Corporate Center
10451 Mill Run Circle, Suite 1000
Owings Mills, MD 21117-5519

William L. Siskind
1 N Charlrs street
suite 2310
Baltimore, MD 21201-3700

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)Transamerican Commercial Ltd.
1 North Charles Street
Suite 2310
Baltimore MD 21201-3700

(d)Transamerican Commercial Ltd.
1 North Charles Street
Suite 2310
Baltimore, MD 21201-3700

End of Label Matrix	
Mailable recipients	37
Bypassed recipients	2
Total	39